

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

US Treasuries

- US Treasuries were slightly higher in trading on Wednesday amidst Fed Chair Powell emphasizing that the Federal Reserve was in no hurry to lower interest rates, despite citing growing risks of higher inflation and rising unemployment, as they left rates unchanged during the FOMC policy decision overnight. Benchmark yields were lower for the day with the UST yield curve bull-flattening. **The benchmark 2Y UST yield closed 1bp lower for the day at 3.78% while the benchmark 10Y UST yield declined by 4bps to 4.26%.** The day ahead sees the release of unit labor cost and productivity numbers for 1Q as well as the usual weekly jobless claims.

MGS/GII

- Local government bonds were firmer in trading on Wednesday, as speculation that BNM could pre-emptively cut rates continued to build. Secondary market volume for the day surged by 46% to RM11.85bn from the RM8.13bn that traded on Tuesday. Overall benchmark yields were mixed by between -5 to +1bp (prior: 0 to 5bps lower). **The benchmark 5Y MGS 8/29 yield was 4bps lower for the day at 3.28% while the yield on the benchmark 10Y MGS 7/34 advanced by 1bp to 3.66%.** Trading activity for the day was again led by the off-the-run MGS 9/25, while decent interest was also seen in the benchmark 7Y GII and 10Y MGS, as well as in the off-the-run GII 10/25, MGS 5/27 and GII 7/29. The share of GII trading for the day climbed to 50% of overall govies trading versus the 43% seen the previous session. BNM meets to decide on policy later today, where we see them standing pat but opening the door to a possible reduction later in the year.

| UST | | |
|-----------|-------------|-----------|
| Tenure | Closing (%) | Chg (bps) |
| 2-yr UST | 3.78 | -1 |
| 5-yr UST | 3.86 | -3 |
| 10-yr UST | 4.26 | -4 |
| 30-yr UST | 4.77 | -3 |

| MGS | | | GII* | | | |
|--------|-------------|-----------------------------------|-------------|-----------|------------------------|----|
| Tenure | Closing (%) | Chg (bps) | Closing (%) | Chg (bps) | | |
| 3-yr | 3.20 | <div><div></div></div> | -3 | 3.22 | <div><div></div></div> | -5 |
| 5-yr | 3.28 | <div><div></div></div> | -4 | 3.33 | <div><div></div></div> | -2 |
| 7-yr | 3.53 | <div><div></div></div> | -2 | 3.50 | <div><div></div></div> | -5 |
| 10-yr | 3.66 | <div><div></div><div></div></div> | 1 | 3.63 | <div><div></div></div> | -4 |
| 15-yr | 3.79 | <div><div></div></div> | 0 | 3.79 | <div><div></div></div> | -1 |
| 20-yr | 3.88 | <div><div></div></div> | -2 | 3.89 | <div><div></div></div> | -2 |
| 30-yr | 4.06 | <div><div></div></div> | -2 | 4.06 | <div><div></div></div> | -1 |

* Market indicative levels

| MYR IRS Levels | | |
|----------------|-------------|-----------|
| IRS | Closing (%) | Chg (bps) |
| 1-yr | 3.35 | -4 |
| 3-yr | 3.16 | -4 |
| 5-yr | 3.20 | -5 |
| 7-yr | 3.32 | -6 |
| 10-yr | 3.42 | -7 |

Source: Bloomberg

Upcoming Government Bond Tender

Nil

Corp Bonds/Sukuk

- The corporate bond/sukuk market was better bid in trading on Wednesday, with secondary market volume inching higher by 6% to a record high this year of RM1,487m versus the RM1,407m that changed hands on Tuesday. Trading for the day was led by the GG segment of the market, where activity was led by LPPSA 8/30, which closed at 3.45%, 25bps lower compared to its previous trade. Decent activity was also seen in PRASA 9/29 and PRASA 3/30, which settled at 3.47% (-1bp from last print) and 3.44% (-6bps) respectively. In the AAA-space, trading was again led by CAGA 3/28, which closed the day at 3.53% (-1bp). In the AA-rated arena, trading was led by AISL 6/33 and RHB 5/26, which settled at 3.85% (-1bp) and 3.58% (-6bps) respectively.

Daily Trades: Government Bond

| Securities | | Closing | Vol | Previous | Previous | Chg |
|------------|-------|---------|----------|----------|----------------------------|------|
| | | YTM | (RM mil) | YTM | Trade Date (dd/mm/yyyy) | (bp) |
| MGS | 09/25 | 2.786 | 1183 | 2.852 | 05/06/2025 | -7 |
| MGS | 07/26 | 2.935 | 387 | 2.911 | 05/06/2025 | 2 |
| MGS | 11/26 | 3.020 | 161 | 3.041 | 05/06/2025 | -2 |
| MGS | 05/27 | 3.093 | 472 | 3.123 | 05/06/2025 | -3 |
| MGS | 11/27 | 3.142 | 118 | 3.189 | 05/06/2025 | -5 |
| MGS | 04/28 | 3.199 | 419 | 3.232 | 05/06/2025 | -3 |
| MGS | 06/28 | 3.219 | 46 | 3.306 | 05/05/2025 | -9 |
| MGS | 04/29 | 3.310 | 28 | 3.301 | 05/06/2025 | 1 |
| MGS | 08/29 | 3.282 | 431 | 3.322 | 05/06/2025 | -4 |
| MGS | 04/30 | 3.378 | 100 | 3.400 | 05/06/2025 | -2 |
| MGS | 04/31 | 3.468 | 438 | 3.506 | 05/06/2025 | -4 |
| MGS | 06/31 | 3.502 | 13 | 3.534 | 05/05/2025 | -3 |
| MGS | 07/32 | 3.526 | 222 | 3.550 | 05/06/2025 | -2 |
| MGS | 04/33 | 3.639 | 20 | 3.675 | 05/06/2025 | -4 |
| MGS | 11/33 | 3.631 | 262 | 3.652 | 05/06/2025 | -2 |
| MGS | 07/34 | 3.659 | 887 | 3.653 | 05/06/2025 | 1 |
| MGS | 05/35 | 3.650 | 35 | 3.700 | 05/06/2025 | -5 |
| MGS | 04/37 | 3.745 | 50 | 3.770 | 05/06/2025 | -2 |
| MGS | 04/39 | 3.789 | 258 | 3.793 | 05/06/2025 | 0 |
| MGS | 05/40 | 3.795 | 10 | 3.912 | 05/06/2025 | -12 |
| MGS | 10/42 | 3.892 | 30 | 3.904 | 05/06/2025 | -1 |
| MGS | 05/44 | 3.880 | 218 | 3.902 | 05/06/2025 | -2 |
| MGS | 07/48 | 4.010 | 40 | 4.020 | 05/02/2025 | -1 |
| MGS | 06/50 | 4.006 | 31 | 3.998 | 05/06/2025 | 1 |
| MGS | 03/53 | 4.059 | 98 | 4.079 | 05/06/2025 | -2 |
| GII | 08/25 | 2.946 | 420 | 2.990 | 05/06/2025 | -4 |
| GII | 10/25 | 2.991 | 490 | 2.940 | 05/06/2025 | 5 |
| GII | 03/26 | 3.038 | 128 | 3.048 | 05/06/2025 | -1 |
| GII | 09/26 | 3.086 | 39 | 3.073 | 05/06/2025 | 1 |
| GII | 07/27 | 3.197 | 10 | 3.197 | 05/06/2025 | 0 |
| GII | 09/27 | 3.159 | 327 | 3.203 | 05/06/2025 | -4 |
| GII | 07/28 | 3.220 | 315 | 3.269 | 05/06/2025 | -5 |
| GII | 10/28 | 3.265 | 200 | 3.297 | 05/06/2025 | -3 |
| GII | 07/29 | 3.328 | 605 | 3.349 | 05/06/2025 | -2 |
| GII | 08/30 | 3.371 | 230 | 3.416 | 05/06/2025 | -4 |
| GII | 09/30 | 3.390 | 320 | 3.436 | 05/06/2025 | -5 |
| GII | 10/30 | 3.408 | 221 | 3.455 | 05/06/2025 | -5 |
| GII | 10/31 | 3.498 | 498 | 3.546 | 05/06/2025 | -5 |
| GII | 10/32 | 3.574 | 299 | 3.597 | 05/06/2025 | -2 |
| GII | 06/33 | 3.618 | 150 | 3.646 | 05/06/2025 | -3 |
| GII | 08/33 | 3.619 | 330 | 3.637 | 05/06/2025 | -2 |
| GII | 11/34 | 3.626 | 60 | 3.669 | 05/05/2025 | -4 |
| GII | 04/35 | 3.618 | 80 | 3.636 | 05/06/2025 | -2 |
| GII | 07/36 | 3.692 | 290 | 3.722 | 05/06/2025 | -3 |
| GII | 08/37 | 3.768 | 10 | 3.768 | 05/06/2025 | 0 |
| GII | 03/38 | 3.774 | 110 | 3.783 | 05/06/2025 | -1 |
| GII | 09/39 | 3.793 | 20 | 3.803 | 05/05/2025 | -1 |
| GII | 07/40 | 3.791 | 20 | 3.799 | 05/05/2025 | -1 |
| GII | 09/41 | 3.838 | 60 | 3.897 | 05/05/2025 | -6 |
| GII | 08/43 | 3.888 | 143 | 3.909 | 05/06/2025 | -2 |
| GII | 05/47 | 4.001 | 290 | 4.026 | 05/06/2025 | -2 |
| GII | 11/49 | 4.028 | 40 | 4.031 | 05/06/2025 | 0 |
| GII | 05/52 | 4.053 | 100 | 3.970 | 05/05/2025 | 8 |
| GII | 03/54 | 4.055 | 90 | 4.069 | 05/06/2025 | -1 |
| | | | 11852 | | | |

Daily Trades: Corp Bonds/ Sukuk

| Securities | | Rating | Closing YTM | Vol (RM mil) | Previous YTM | Previous Trade Date (dd/mm/yyyy) | Chg (bp) | Spread Against MGS* |
|---|-------|--------|----------------|-----------------|-----------------|--|-------------|------------------------|
| DanaInfra Nasional Berhad | 11/25 | GG | 3.191 | 25 | 3.277 | 25/4/2025 | -9 | 17 |
| Pengurusan Air SPV Berhad | 02/29 | GG | 3.484 | 10 | 3.707 | 25/6/2024 | -22 | 20 |
| Prasarana Malaysia Berhad | 09/29 | GG | 3.471 | 100 | 3.481 | 6/5/2025 | -1 | 19 |
| Prasarana Malaysia Berhad | 03/30 | GG | 3.438 | 100 | 3.500 | 24/4/2025 | -6 | 10 |
| DanaInfra Nasional Berhad | 04/30 | GG | 3.438 | 25 | 3.859 | 18/12/2024 | -42 | 10 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 08/30 | GG | 3.447 | 125 | 3.700 | 6/3/2025 | -25 | 11 |
| DanaInfra Nasional Berhad | 07/33 | GG | 3.650 | 20 | 3.853 | 19/8/2024 | -20 | 7 |
| DanaInfra Nasional Berhad | 10/33 | GG | 3.668 | 80 | 3.749 | 15/4/2025 | -8 | 8 |
| DanaInfra Nasional Berhad | 10/35 | GG | 3.723 | 60 | 3.879 | 22/1/2025 | -16 | 9 |
| DanaInfra Nasional Berhad | 11/35 | GG | 3.718 | 30 | 3.872 | 3/2/2025 | -15 | 8 |
| DanaInfra Nasional Berhad | 11/35 | GG | 3.719 | 30 | 3.731 | 28/4/2025 | -1 | 8 |
| Prasarana Malaysia Berhad | 12/35 | GG | 3.734 | 30 | 3.799 | 18/4/2025 | -6 | 10 |
| DanaInfra Nasional Berhad | 06/38 | GG | 3.825 | 20 | 3.820 | 28/4/2025 | 1 | 3 |
| Malaysia Rail Link Sdn Berhad | 02/40 | GG | 3.849 | 40 | 3.859 | 30/4/2025 | -1 | 6 |
| DanaInfra Nasional Berhad | 03/40 | GG | 3.849 | 20 | 3.859 | 5/5/2025 | -1 | 6 |
| Lembaga Pembiayaan Perumahan Sektor Awam | 04/41 | GG | 3.869 | 10 | n/a | n/a | 387 | 8 |
| Malaysia Rail Link Sdn Berhad | 07/45 | GG | 3.959 | 20 | 3.958 | 29/4/2025 | 0 | 7 |
| Prasarana Malaysia Berhad | 07/45 | GG | 3.959 | 10 | 4.025 | 26/3/2025 | -7 | 7 |
| DanaInfra Nasional Berhad | 02/51 | GG | 4.040 | 20 | 4.169 | 17/1/2025 | -13 | 15 |
| Cagamas Berhad | 10/27 | AAA | 3.505 | 10 | 3.564 | 28/4/2025 | -6 | 36 |
| Cagamas Berhad | 03/28 | AAA | 3.530 | 80 | 3.539 | 6/5/2025 | -1 | 32 |
| Toyota Capital Malaysia Sdn Berhad | 09/28 | AAA | 3.798 | 10 | 3.823 | 14/3/2025 | -2 | 59 |
| Cagamas Berhad | 10/28 | AAA | 3.560 | 10 | 3.626 | 7/4/2025 | -7 | 35 |
| Petroleum Sarawak Exploration & Production Sdn E | 05/29 | AAA | 3.600 | 25 | 3.618 | 28/4/2025 | -2 | 32 |
| Hong Leong Bank Berhad | 09/29 | AAA | 3.747 | 10 | 3.797 | 7/4/2025 | -5 | 47 |
| CIMB Islamic Bank Berhad | 11/30 | AAA | 3.749 | 30 | 3.797 | 16/4/2025 | -5 | 29 |
| Manjung Island Energy Berhad | 11/31 | AAA | 3.728 | 20 | 3.999 | 5/3/2024 | -27 | 19 |
| Infracap Resources Sdn Berhad | 04/33 | AAA | 3.809 | 10 | 3.918 | 13/3/2025 | -11 | 23 |
| Sarawak Energy Berhad | 07/33 | AAA | 3.761 | 10 | 3.825 | 15/4/2025 | -6 | 18 |
| TNB Western Energy Berhad | 07/33 | AAA | 3.945 | 15 | 4.710 | 28/4/2023 | -77 | 36 |
| Pengurusan Air SPV Berhad | 04/39 | AAA | 3.888 | 30 | 4.059 | 2/5/2025 | -17 | 10 |
| Tenaga Nasional Berhad | 08/40 | AAA | 4.030 | 1 | 4.126 | 9/4/2025 | -10 | 24 |
| TNB Power Generation Sdn Berhad | 03/43 | AAA | 3.920 | 10 | 3.939 | 29/4/2025 | -2 | 3 |
| RHB Bank Berhad | 05/26 | AA1 | 3.576 | 95 | 3.633 | 27/3/2025 | -6 | 55 |
| Press Metal Aluminium Holdings Berhad | 10/26 | AA1 | 3.640 | 20 | 3.773 | 3/2/2025 | -13 | 62 |
| Malayan Cement Berhad (fka Lafarge Malaysia Berhad) | 07/27 | AA1 | 3.748 | 10 | 3.956 | 23/1/2025 | -21 | 60 |
| Perbadanan Kemajuan Negeri Selangor | 09/28 | AA1 | 3.811 | 10 | 4.003 | 3/2/2025 | -19 | 60 |
| Johor Plantations Group Berhad | 09/39 | AA1 | 3.911 | 10 | 3.939 | 28/4/2025 | -3 | 12 |
| YTL Power International Berhad | 03/40 | AA1 | 3.901 | 10 | 3.910 | 6/5/2025 | -1 | 11 |
| reNIKOLA Solar II Sdn Berhad | 09/28 | AA2 | 3.835 | 10 | 3.905 | 25/3/2025 | -7 | 62 |
| Benih Restu Berhad | 07/34 | AA2 | 3.830 | 40 | 3.859 | 6/5/2025 | -3 | 21 |
| AEON Credit Service (M) Berhad | 08/30 | AA3 | 3.850 | 3 | 3.848 | 6/5/2025 | 0 | 52 |
| AmBank Islamic Berhad | 06/33 | AA3 | 3.847 | 140 | 3.857 | 5/5/2025 | -1 | 26 |
| UEM Sunrise Berhad | 09/25 | AA- | 3.671 | 10 | 3.713 | 24/4/2025 | -4 | 65 |
| Malakoff Power Berhad | 12/25 | AA- | 3.904 | 10 | 4.186 | 26/8/2024 | -28 | 88 |
| Southern Power Generation Sdn Berhad | 04/26 | AA- | 3.581 | 10 | 3.835 | 15/2/2024 | -25 | 56 |
| Malakoff Power Berhad | 12/27 | AA- | 4.077 | 10 | 4.258 | 23/4/2025 | -18 | 87 |
| UEM Sunrise Berhad | 09/28 | AA- | 3.802 | 20 | 3.817 | 28/4/2025 | -2 | 59 |
| LBS Bina Group Berhad | 01/29 | AA- | 4.262 | 1 | 4.287 | 12/3/2025 | -3 | 98 |
| UEM Sunrise Berhad | 09/30 | AA- | 3.815 | 30 | 3.866 | 2/5/2025 | -5 | 48 |
| SUNREIT Perpetual Bond Berhad | 04/19 | A1 | 4.650 | 1 | 4.648 | 12/2/2025 | 0 | 76 |
| Yinson Holdings Berhad | 11/22 | A- | 5.697 | 2 | 5.537 | 5/5/2025 | 16 | 181 |
| Naza TTDI Capital Berhad | 06/26 | NR(LT) | 6.473 | 1 | 6.472 | 17/3/2025 | 0 | 345 |
| | | | | 1487 | | | | |

* The spread against nearest indicative tenured MGS (Source: BPAM)

| Rating Action | | | |
|--|---|----------------|----------|
| Issuer | PDS Description | Rating/Outlook | Action |
| Quantum Solar Park (Semenanjung) Sdn Bhd | RM665m Green Sustainable and Responsible Investment (SRI) Sukuk | AA-/Stable | Affirmed |

Source: RAM, MARC

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